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DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-200082

DATE: February 25, 1981

MATTER OF: Jon W. Cain - ^[Claim for] Temporary quarters expenses and Club membership fee required for residence purchase.

DIGEST:

1. Employee is not entitled to temporary quarters subsistence expenses for period he occupied and rented house which he intended to purchase, but could not buy because he could not obtain financing. The house was his permanent residence as determined by his intent to purchase at the time he moved in.
2. Employee may not be reimbursed membership fee for home-owners' club required upon purchase of home at new duty station. Such fees are personal and outside the scope of miscellaneous costs allowable under Part 2-3 of the Federal Travel Regulations.

In this case we decide that the employee is entitled to neither temporary quarters subsistence expenses nor a membership fee for a social club he was required to pay upon purchase of a home at his new duty station.

Mr. Jon W. Cain, an employee of the Internal Revenue Service, transferred from Parkersburg to Charleston, West, Virginia, where he reported for duty on December 3, 1979. He received temporary quarters allowance for staying in commercial lodging between November 30, and December 2, 1979. However, on the following day, December 3, he moved into a house which he intended to purchase. He paid rent pending the closing of the sale. But since he was unable to obtain the necessary financing, he was forced to vacate the house as provided in the sales contract. The sale was never closed. On April 15, 1980, Mr. Cain purchased another residence in

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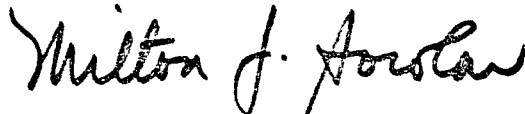
Charleston. He was required to pay a \$250 membership fee for a home-owners' club in order to purchase the property.

The certifying officer denied reimbursement of temporary quarters expenses while occupying the first home since Mr. Cain had intended to purchase and occupy it as a permanent residence. The certifying officer also disallowed the membership fee for the club.

Our decisions consistently hold that employees occupying and paying rent for homes they intend to purchase are not entitled to temporary quarters expenses. The employee's intent is determined at the time he first occupied the residence with the intention to do so permanently. See William C. Trest, B-183641, October 9, 1975. Consequently, later vacating the home because of inability to finance the purchase does not convert the home to temporary quarters.

Concerning the required club membership fee, we regard it as a item of added value continuing to benefit the employee after purchasing the real estate, and hence as a personal expense of the employee. Membership fees have been held nonreimbursable and outside the scope of the items allowable under miscellaneous expenses covered by Part 2-3 of the Federal Travel Regulations. B-171808, March 31, 1971.

Accordingly, the certifying officer's disallowance of reimbursement on the two items is upheld.



For the Comptroller General
of the United States